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July 2, 2001

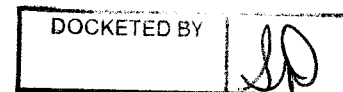
Arizona Corporation Commission
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1200 W. Washington Street
Phoenix, AZ 85007

Arizona Corporation Commission

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re: T-000000A-97-0238

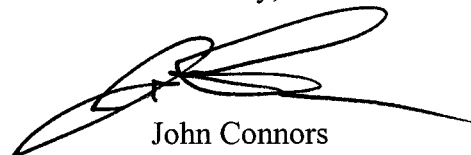


To Whom It May Concern:

Enclosed are an original and fifteen (15) copies of the Prefiled Direct Testimony of Elizabeth M. Balvin on behalf of WorldCom, Inc., in the above-mentioned document, for filing with the Arizona Corporation Commission. I am also enclosing two copies with a self-addressed, stamped envelope. Please stamp these copies and return them to me in the envelope provided.

If you have any questions, please do not hesitate to call me at (303) 390-1197.

Sincerely,



John Connors

Attachments

ORIGINAL

BEFORE THE ARIZONA CORPORATION COMMISSION

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WILLIAM A. MUNDELL

Chairman

JIM IRVIN

Commissioner

MARC SPITZER

Commissioner

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AZ CORP COMMISSION
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IN THE MATTER OF U S WEST)
COMMUNICATIONS, INC.'S)
COMPLIANCE WITH SECTION 271 OF THE)
TELECOMMUNICATIONS ACT OF 1996)
_____)

DOCKET NO. T-00000A-97-238

**PREFILED DIRECT TESTIMONY OF
ELIZABETH M. BALVIN**

**ON BEHALF OF WORLDCOM, INC.
General Terms and Conditions, Section 12**

June 29, 2001

1 **Q. PLEASE STATE YOUR NAME, TITLE AND BUSINESS ADDRESS.**

2 **A. Elizabeth M. Balvin, Project Manager for WorldCom's Carrier Management**
3 **Group at 6312 S. Fiddler's Green Circle, Suite 600 East, Englewood, CO 80111.**

4 **Q. HAVE YOU PREVIOUSLY FILED TESTIMONY THIS PROCEEDING?**

5 **A. Yes, I have filed testimony addressing Section 12 of the SGAT.**

6 **Q. DO YOU HAVE ADDITIONAL SPECIFIC COMMENTS ABOUT**
7 **SECTION 12?**

8 **A. Yes, I do. I have filed testimony in Washington and raised an issue that has not**
9 **been raised here. Since we are returning to discuss general terms and conditions next**
10 **month, I thought it was appropriate to supplement my testimony here.**

11 **Q. DOES WORLDCOM HAVE ANY SPECIFIC CONCERNS ABOUT**
12 **SECTIONS 12.2.5.2.1, 12.2.5.2.2 and 12.2.5.2.6?**

13 **A. Yes. I have the following concerns with respect to Qwest's proposals to assess**
14 **charges for the Daily Usage Feed and Category 11 records. With respect to Sections**
15 **12.2.5.2.1 and 12.2.5.2.2, WorldCom objects to the inclusion of charges for the Daily**
16 **Usage Feed ("DUF") for Resale and Unbundled Switch Port. For resale: Qwest is**
17 **required to provide its services at wholesale at its retail rate minus avoided cost. There is**
18 **absolutely no authority for charging any additional fees to Qwest's wholesale customers**
19 **for the electronic data maintained routinely by Qwest to bill its own customers and**
20 **essential for a reseller to bill its customers.**

21 **Qwest's retail service would include the daily usage information for its own**
22 **customers, so that daily usage information should be available also to CLECs as a routine**
23 **part of the wholesale service it purchases from Qwest. If Qwest's position were adopted,**

1 it would be improperly allowed to charge its wholesale customers more than its retail
2 rate, less avoided cost. For UNE-P, WorldCom similarly believes that provision of the
3 DUF is a cost of doing business and should be provided to WorldCom at no charge.
4 Furthermore, from a cost recovery perspective, the recording of the call is made by the
5 local or tandem switch and is already recovered in the unbundled switching rate. The
6 cost to generate a bill transmitted electronically, on an incremental (TELRIC) basis, is
7 practically zero. Hence, 12.2.5.2.2 should read, "There is no charge for the Daily Usage
8 Record File."

9 With respect to Section 12.2.5.2.6, Category 11 Records, WorldCom continues to
10 believe there should be no charges for the exchange of Category 11 records. If Qwest's
11 prevails in seeking a charge for Category 11 records, this would unfairly penalize
12 CLECs. Category 11 records are used by the parties to jointly bill IXCs for jointly
13 provided switched access services. In practice, Qwest provides WorldCom with all the
14 records for each and every call made by WorldCom's customer. WorldCom then
15 aggregates these calls onto a summary bill that is then sent back to Qwest to enable
16 Qwest to bill the IXC. For the same amount of call usage, Qwest generates say, hundreds
17 of thousands records to WorldCom but WorldCom only sends back a handful of records.
18 Nevertheless, in aggregating the records that WorldCom receives from Qwest, it is
19 handling and processing the same number of records as Qwest does when making the
20 initial transmission of records to WorldCom. However, under Qwest's proposed
21 charging mechanism it would be permitted to bill WorldCom for each individual record
22 while WorldCom would only be allowed to bill for the single aggregated record returned.
23 Qwest would thus be unfairly billing WorldCom high charges and WorldCom would only

1 be able to bill back a fraction of those charges even though the charges are reciprocal in
2 nature. Hence, WorldCom believes the fairest practice would be for the parties to
3 exchange records without seeking additional compensation for the record transmission.
4 Alternatively, at a minimum, WorldCom believes that carriers should be allowed to
5 negotiate whether to mutually exchange Category 11 records without charging each
6 other. In the existing interconnection agreements between MFS and Qwest (US West),
7 Sec V.K.3, the parties have agreed to exchange records "without additional
8 compensation." Hence, WorldCom seeks to add the following clarification phrase to the
9 end of Sec 12.2.5.2.6, "Charges shall be listed in Exhibit A unless otherwise negotiated
10 by the Parties."

11

**ORIGINAL and ten (10)
copies of the foregoing sent via *overnight*
mail this 2nd day of July 2001,
with:**

Arizona Corporation Commission
Docket Control – Utilities Division
1200 W. Washington Street
Phoenix, Arizona 85007

**COPY of the foregoing sent via *overnight*
mail this 2nd day of July 2001,
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**COPY of the foregoing sent via *U.S. Mail*
this 2nd day of July 2001, to:**

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